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MARKETING ACTIVITIES

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IN THIS ISSUE

That's right, those people who have been keeping their bread in the ice-box, thinking that it will stay fresher, are going to be surprised. Some bakers may learn some surprising things too, from this study of the effect of temperature on bread staling.

The bees are living up to their reputations and they are keeping some other people busy buzzing around to find markets for the honey they are producing. A new Plentiful Foods Program approach may do the job.

Some wholesalers are finding that the assistance they give to their retailers is truly "bread cast upon the waters." This study by the Marketing and Facilities Research Branch of PMA points this up.

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Address all inquiries to:
J. Grant Lyons, Editor,
MARKETING ACTIVITIES,
U. S. Department of Agriculture,
Washington 25, D. C.

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Keep That Bread Hot!

By Philip Talbott

Keep the temperature up and it will last longer. Bad advice, you might think, either for a sick person or a perishable food product. But for one of our major foods, bread, this recommendation is directed toward solving a really important problem--bread staling.

This seemingly anomalous advice for bakers is the result of an extensive study made for the Grain Branch of the Production and Marketing Administration, USDA, by the American Institute of Baking, under the Agricultural Marketing Act of 1946 (RMA-Title II). A report on the study is now being readied for release.

The study turned up what may be some pretty startling things as far as consumers are concerned. It bears out a previous finding of a Dutch scientist that if bread is kept in warm storage, it will stay fresh longer. It disproves what may have been commonly held belief that bread will keep fresher in the ice box. Instead, according to the study, such storage causes bread to go stale quicker.

A report based on the study recommends five practices to be followed by bakeries to hold bread at the highest practicable temperature during the period between baking and its delivery to retail outlets. This period of bread life, according to the report, is the most critical. Exposure to low temperature then speeds up the staling process. This presents a particular problem to bakers during the winter months.

"Staling" of bread is almost impossible to define, although everybody knows what it is in a general way. It includes the deterioration of the crust, internal crumb of the bread, and the flavor. In spite of intensive studies, the causes of staling are not yet known, although the changes are believed to take place in the carbohydrate content of the bread.

The stale bread problem is considered to be of major importance, not only in the baking industry where the returns of stale bread from retailers constitutes an economic loss, but also from the standpoint of the loss of a potential human food supply through the waste of the product in the home. The problem is by no means new. First published research reports on bread staling appeared almost a century ago. But the actual cause of staling is still about as much of a mystery now as it was then.

The fact that the rate at which bread becomes stale is influenced by storage temperature also is not new. Back in 1928, a Dutch investigator, J. R. Katz, found that bread stored at temperatures not lower than

140° F. would stay "fresh" indefinitely. He also found that as the storage temperature was reduced, the staling rate increased, and that the rate of staling was most rapid during the first 12 hours out of the oven. Bread becomes stale most quickly at temperatures approaching its freezing point. On the other hand, bread which is frozen and stored at well below-freezing temperatures will keep fresh about a year.

These findings were borne out by the Baking Institute study, which covered not only the effect of temperature and humidity on the staling rate of bread, but also conditions during its distribution which might be changed to retard staling.

Study Uses Housewife's Test for Staleness

In determining the degree of staleness in bread during the study, the researchers used a compressibility or "squeeze" test. It was felt that this method was suitable: first, because it is the method commonly employed by housewives when they squeeze bread to determine its freshness, and second, because there is evidence of correlation between changes in compressibility and changes in freshness as determined by taste-testing.

In these tests, using an instrument known as a "modified precision penetrometer," it was found that bread stored at 110° F. for 100 hours was as soft as bread stored at ordinary room temperature after only 40 hours. On the other hand, bread stored for 20 hours at 30° F. lost as much of its softness as bread stored at ordinary room temperature for 75 hours.

The study also indicated that 50 percent of the change in compressibility of bread took place during the first 24 hours at any of these three storage temperatures. This indicated anything that might be done through better handling to arrest these initial changes, which happen before consumers purchase the bread, would be particularly important in getting a more palatable loaf of bread to consumers.

Handling of bread was remarkably similar in all of the bakeries studied. Oven fresh bread, after being placed on racks or in special tunnels, was cooled naturally or artificially to a temperature which would permit slicing and wrapping. This varied in the different shops, however, from a low of 85° F. to a high of 105° F. depending upon climatic conditions and cooling devices. In most plants, freshly packaged bread was loaded immediately into route trucks even though deliveries were not begun until some 4 to 8 hours later.

At this point in the study, it was apparent that holding bread at high temperatures to retard staling was not possible up to the point of loading it in trucks, since it had to be cooled sufficiently to permit slicing and packaging. Therefore, an effort was made to determine, through a study on rural delivery bread routes in Illinois, Missouri, Louisiana, and Colorado, the temperatures to which bread was subjected during the period of distribution to retailers. To cover extremes of the temperature range, the studies in the southern States were made in summer and those in Illinois and Colorado in winter.

In the southern study, where delivery trucks were loaded about midnight, deliveries began about 4:00 a.m. and were completed by 1:00 p.m. The total change in bread temperature during this period was only 5° F., with a net increase in temperature of 2.5° F., which slightly retarded staling.

The changes in bread temperature were quite different in the winter studies, particularly in the one cited below:

"The bread was at the usual temperature, somewhat above 80° F., when loaded into the truck at the dock in a poorly heated garage. Loading of the truck was completed about midnight. Even by the time the driver started his trip (4:00 a.m.) the bread temperature had decreased 14° F. and had reached a temperature at which it would stale appreciably faster than it would have at its original temperature. Although most of the load had been delivered at 9:00 a.m., the temperature of the bread at this time had reached 50° F. (Bread held at this temperature for only short periods of time shows significant staling.) By the time deliveries were completed at 2:00 p.m., bread temperature was 42° F. Under the conditions observed on this route, the total change in bread temperature was 40° F. More important, this change was always downward or toward temperatures which decrease shelf life.

"Of even more significance, perhaps, was the temperature of bread in drop boxes. In one such study, bread placed in a drop box at 3:00 a.m. had reached 33° F. at 7:00 a.m. when the outside temperature was 26° F."

No Recovery From Low Temperatures

Despite the common belief that low temperatures do little harm to bread since it is expected to recover its softness and freshness when it reaches normal room temperature, further tests during the study proved this untrue. Citing several tests, the report said: "When the softness of bread is lost by exposure to low temperature during delivery it will not recover during storage on the grocer's shelf."

Since temperature changes of bread during distribution appeared to present a problem only during the winter months, the study was directed at methods of protecting the product while being distributed during this period of the year. This concluding phase of the investigation developed the five practices recommended to bakers for controlling heat losses during distribution, "thus enabling the baker to deliver a more palatable bread to retail outlets." They are as follows:

(1) Provision of an adequately heated loading dock. The study revealed that, in many instances, no method has been provided to maintain loading docks at a temperature approaching that of room temperature. At inadequately heated docks both the truck body and its load of bread become chilled even before loading is complete, and this original low temperature of the truck body causes a further fall in temperature of the bread and needless staling.

(2) Provision of adequate heated space to store trucks after they are loaded until the driver is ready to drive his route. In some in-

stances, loaded trucks were removed to parking lots to make room for more trucks at the loading dock. This meant that some trucks and their load were exposed to below-freezing weather for as much as five hours before the drivers appeared. In this length of time wide temperature changes could take place in both the truck and its contents.

(3) Provision should be made to prevent heat loss during delivery. Insulation of bread truck bodies, an experiment carried out during the course of this study, proved extremely successful. If this proves impractical, however, the transport of bread in cartons minimizes the temperature change of the bread. Information on these bread truck insulation tests is available from the Grain Branch, PMA, USDA, Wash. 25, D.C., or the American Institute of Baking.

(4) Provision of truck heaters. If the truck body is insulated, and there is sufficient opening between the cab and truck body, the ordinary cab heater appears to furnish sufficient heat to offset the heat lost from the truck body.

(5) Elimination of drop boxes. An attempt should be made to develop methods of distribution that would make possible the elimination of drop boxes. Severe temperature decreases were noted in bread in drop boxes between the time of delivery and the time the stores opened.

* * *

SCHOOL LUNCH PROGRAM USES MILK

The nine million children participating in the National School Lunch Program drank approximately 359 million quarts of milk at school during the school year just completed.

Milk is served daily in the 56 thousand schools participating in the program, with the exception of a relatively minor number of schools located in areas where fresh milk is not available. This consumption is considerably greater than total annual fluid milk sales in such cities as St. Louis, Cleveland, or Minneapolis-St. Paul.

One of the basic requirements that a school must meet in order to be eligible for Federal reimbursement for a Type A lunch under the National School Lunch Program is the serving of 1/2 pint of milk to each child getting lunch. The milk requirement plus specified quantities of protein foods, fruits and vegetables, table fats and cereals go to make up the Type A School Lunch meal which provides at least 1/3 of a child's daily nutritional requirements.

Since 1946 when the National School Lunch Act was passed, direct expenditures for dairy products have totaled $25.6 million. In addition, the program has proved an effective outlet for dairy products acquired under price support and surplus removal programs. During the past two years, 15.3 million pounds of butter, 9.4 million pounds of cheese and 26.8 million pounds of nonfat dry milk solids were provided under these programs for school lunch use.

Honey, There's Plenty of Honey

By G. Chester Freeman

All the buzzing about honey this year will not be done by the bees. Since late last winter, when these industrious insects were dormant in most sections of the country, groups interested in marketing honey have been busy with plans to make this year one of bumper consumption.

Spearheading the drive to get people to eat more honey is the Food Distribution Branch of the Production and Marketing Administration, USDA. Under the Department's Plentiful Foods Program (Marketing Activities, May-June, 1950), this agency has launched one of its special merchandising projects to push consumption of the product this year. An industry-wide sales program has been arranged by the beekeeping industry to tie-in with this "plentiful foods" promotion.

Through the dove-tailing programs, the assistance of everyone, from the beekeepers who produce honey to the distributors, retailers, restaurants, bakers, confectioners, and consumers who sell, serve, and use it, is being enlisted to make this year one of record honey use. Peak of the honey merchandising drive is directed at the month of October, when new crop honey will be in liberal supply throughout the country.

Behind all this activity for this one particular farm commodity is quite a lot of history. Briefly, here is some of the background.

Honey, the oldest of the world's sweetenings, is produced in every county of the United States. But today, the economic importance of the honey bee to food production stems more from the pollination work of the insects than from the amount of honey and beeswax produced. Some 50 agricultural crops - seeds, fruits and some vegetables - are almost entirely dependent upon bees for pollination. In practically all farm areas, honey bees are so essential to this purpose that beekeeping must be carried on to maintain a profitable agriculture. In certain areas this pollination assistance is so necessary to the production of better seed and fruit that growers of these crops pay beekeepers for the use of their colonies.

Aware of this need to maintain the country's bee population at a high level to provide for adequate pollination of growing crops, and realizing that beekeepers' compensation derives primarily from the sale of honey, the U. S. Department of Agriculture for several years has undertaken a search for new market outlets for the product. These same considerations evidently played an important part in the action by the Congress under the Agricultural Act of 1949, which makes price support for honey mandatory.

Price support operations during the past 2 years have been carried out through USDA purchase programs operated through honey packers. This year, price support will be carried out through loans and purchase agreements which have been made available to honey producers. Recent price history of the beekeeping industry shows that producers' returns have remained close to support levels, and honey, like some other crops, because it has consistently been in plentiful supply, is referred to as a "12-months surplus" commodity.

Some of this is attributable to the impetus given honey production in the United States during the World War II period, when sugar was in relatively short supply and honey prices were favorable, as well as to increased use of honeybees for pollination. With the end of the war and increased availability of sugar and other lower-cost sweets, honey consumption began to decline. The year 1947 was one of particularly abundant honey production, about 27 percent of the production being carried over into 1948. Stocks carried over into 1949 and 1950 were estimated even larger. Last year's honey production is estimated to have been 259 million pounds, about 11 percent above the previous year's crop.

While it is not known how much of the quarter billion pounds of honey produced last year was of table grade, USDA, under price support operations, purchased slightly over 18 million pounds, which was distributed for use to School Lunch Programs and eligible institutions.

Intensive Merchandising Requested

Several times during the past years, honey also has been on the Department's "plentiful foods" list as a seasonal item. This year, the beekeeping industry urged that it be given "all-out" treatment under the "plentiful food" program. It was felt that such action would increase total demand for the product and thus help materially to reduce Government price support operations.

The "Plentiful Foods Program" of the Department is based on the sensible premise that the widest possible use of foods in abundant supply directly benefits consumers, producers, and the food trades. Each month those foods in abundant supply are placed on the plentiful foods list which is given broad publicity through the food trades, the press, radio and other information media.

To be eligible for the list, foods must be of the type that are generally consumed; and must be generally available throughout the country in larger supply than the market will readily absorb. It also must be demonstrated that there is danger of unnecessary waste, or prices will be unduly depressed, unless consumption of the foods is stimulated.

Usually one or more foods are listed as "feature items" for intensive promotion because they are in extremely abundant supply.

If a particular food is in such abundant supply it is felt that still further stimulation of consumption is necessary to stabilize markets, it is made the subject of a "special program". Then, FDB, in cooperation with and supplementing activities of producer organizations, enlists by letter and personal contact the support of all marketing groups interested

in the food, state and local officials, chambers of commerce and others in a vigorous marketing program. In addition, other agencies of PMA and the Department furnish background information, fact sheets, menus, recipes, and other material for newspapers, radio, TV, magazines and advertisers, and give other assistance to the intensified program.

This is the type of program underway for honey this year.

Officials of the Production and Marketing Administration are particularly interested in the honey project, because it is the first to be placed in operation for a "year-around" plentiful crop and the first to be planned so far in advance of the marketing peak--which is October. With a successful honey program, a similar approach could be used on other foods in consistently heavy supply, such as dried fruits, peanut butter, and dried beans. In fact, a special merchandising program for dried beans, designed to culminate at the height of the expected period of heaviest abundance next January and February, is now being considered.

The basic work on this year's honey merchandising program at the national level has about been concluded. Meetings have been held by Food Distribution Branch representatives with beekeepers in all 48 States; conferences have been held to discuss their parts of the program with organizations of honey distributors, wholesaler and retailer organizations, restaurant and other public feeding groups, advertisers and others.

Other Industries to Cooperate

Tie-in promotion is being arranged with millers who make biscuit, hot roll and waffle mixes; bakers making honey graham crackers, honey and milk bread; ice cream manufacturers; confectioners; and the citrus industry, which intends to promote the use of honey on grapefruit.

Several of the country's largest grocery chains plan to carry out wide-scale advertising programs, and glass container manufacturers have promised their cooperation. The meat industry, which already has its advertising programmed ahead to this fall, intends to feature "little pig sausage" in October. What could be more natural than a hot-cakes-and-honey tie-in with the sausage campaign?

Although the national programming is well past the preliminary stage, PMA area and State offices will continue to work locally on the project due to its importance in connection with the honey price support program. They will work with local producers, distributors, retailers and others cooperating in the program.

The food trade groups - wholesalers and retailers - have the next big job, say the representatives of the Food Distribution Branch--that is, to "get honey off the back shelf." As one official in PMA puts it:

"Honey, despite all promotion work that can be done, is 70 percent an impulse item. Few people put it on shopping lists. Most housewives must see it before they buy it. So we say to the retailer; 'Get your honey off the back shelves and out where your customers can see it'."

The Helping Hand Pays Profits

By John H. Davenport and R. W. Hoecker

Many wholesalers are finding that brotherly love toward retailers means improved profits all around, according to case studies of nine leading Eastern, Midwestern and far Western wholesale firms, made by the Marketing and Facilities Branch of the Production and Marketing Administration, USDA. Under this helping hand policy, wholesalers are furnishing retailers such services as pricing information, sales promotion aids, store engineering assistance, and store management guidance. Wholesalers also are furnishing other services which in the past have been performed by retailers, by other agencies, or not at all. Among them are: accounting assistance, financial aid, real estate advice, insurance service, and training programs.

The survey indicates that costs of wholesale firms offering a great many services are not necessarily higher, and may be lower, than those of firms offering few services.

Sales Assistance Provided

All the wholesalers whose operations were studied gave information to the retailer so that the retailer has a better basis on which to determine the proper price for his merchandise and improvements for bettering his business. The wholesaler relayed this information via salesmen, supervisors, order books, invoices, and bulletins.

Sales promotion aids were also used by all the wholesalers studied. Handbills, newspapers, and radio were the media most commonly employed to build up a customer's desire for items before he reached the store. The location, type and number of the potential customers determined the kind of advertising used.

Point of sale promotion aides such as window display material, posters, display cards, and coupons were used to create a desire for products while the consumer is actually in the process of shopping. It is very easy for a homemaker to want a particular product and yet to forget about it before the purchase can be made. The report pointed out that these aids remind the customer to buy while in the store. Impulse buying is also stimulated.

Three-fourths of the wholesalers maintained an engineering service for their retailers to aid them in modernizing and improving their stores. Three reasons for this assistance are: (1) new and remodeled stores help increase retail sales, (2) the service can often be performed most economically and effectively by the wholesaler, and (3) it gives the wholesaler a chance to secure the loyalty of the retail merchant.

Most of the wholesalers furnished guidance in store management. They informed the retailers about storekeeping methods, sound public relations, expansion possibilities, and other facts on desirable store policies.

Accounting Assistance

Some wholesalers helped retailers organize and keep their accounts by furnishing account forms along with a manual explaining their use. Others arranged to do most of the accounting for the retailer and depended on the retailer to supply basic records.

Only a third of the wholesalers offered their customers financial aid. The loans rarely came from the wholesaler's own funds, but rather from a financial institution through credit arranged by the wholesaler. Some wholesalers informed retailers of stores for rent or sale, and about good locations for retail business. Other wholesalers showed an interest in establishing such a service.

Other Aids

A few of the wholesalers advised their retailers on insurance needs and took care of insurance details for them. Two wholesalers set up a central file for use in helping their retail customers find employees. Most of the wholesalers offer training courses to their retailer customers through group meetings, visits by salesmen and supervisors, and bulletins.

Both private brands and nationally advertised brands were handled by the wholesalers. The type of consumers in the trading area, the length of time the wholesaler had been in business within that area, and the brand policy of his competitors, all influenced the policy of a particular wholesaler.

Most of the wholesalers had added or are considering the addition of frozen foods, produce and meats to their operations. The reasons for adding these lines were (1) to increase the size of the retailer's order, (2) offer the retailer a more complete line of merchandise thereby removing the necessity of ordering from other wholesalers, and (3) to add to the wholesaler's over-all gross since some of the items carry a favorable profit margin.

The principal reasons for not handling the perishable items were inadequate funds and facilities, and lack of qualified personnel.

The wholesalers interviewed attributed much of their success to the practices described in this report. Other wholesalers may be able to improve their operations by adopting some of these practices.

A report entitled "How Some Wholesalers Build Better Retailers," will cover in considerable detail results of the survey. Availability of the report, not yet off the press, will be announced in a later issue of Marketing Activities.

NAMO Conference

More and better marketing services through Federal-State cooperation was the conference theme of the 1952 annual meeting of the Atlantic States Division of the National Association of Marketing Officials. The U. S. Department of Agriculture was host to the conference in Washington, April 23 and 24.

Keynote of the session was PMA Administrator Gus F. Geissler's call for NAMO guidance and assistance in carrying out the necessary expansion of marketing services needed to handle the country's greatly expanding agricultural production.

Other highlights of the conference included a "hair down" discussion of proposed uniform Federal-State cooperative agreements which lead to the understanding that the proposals would be worked over further in cooperation with a NAMO committee; reports of progress under the Research and Marketing Act; poultry and egg grading and inspection problems; and improvement of consumer understanding of fruit and vegetable grading programs.

Administrator Geissler outlined the current food situation, the increased production job that lies ahead, and stressed that it will necessitate an expansion in marketing activity work that should be programmed cooperatively by Federal and State officials.

Despite very good crops in 1950 and 1951, the country's food and fiber reserves have steadily declined, he explained, necessitating production goals this year 148 percent of the pre-World War II average - "the highest farmers ever have been asked to produce." As we look ahead, it appears certain that the recent high levels of production will be an "absolute minimum" for agricultural production in this country, he added.

Pointing out that the country's population at present is gaining 2½ million annually, the administrator said it is estimated it will reach 190 million by 1975. On the basis of increased population alone - assuming that military requirements will become less and foreign aid less - we will need to increase production each year, he explained.

While this primarily will be a production job, it also means a bigger marketing job. The increased volume of production which will have to move through the markets will mean an increase in regulatory activity, an increase in marketing information - "in fact, an increase in all of the work with which you are associated," Mr. Geissler told the conference.

Since the possibility of acreage expansion is limited, the increased production will have to come primarily from existing acreage. This means

that we must increase and improve production per acre and utilize all the production we can obtain, the Administrator stressed.

"Not all the food and fiber produced on farms these days finds its way to the consumer's table," he said. "There is lots of loss along the line. The problem you are concerned with and we are concerned with is how can we reduce this tremendous loss... Saving this waste is another way to stretch our acres... This production problem is also a marketing problem."

Mr. Geissler said he wished it were possible to expand marketing service and facilities programs this year. Any such expansion program, he assured the conference, would be worked out with them. He said that USDA officials intend to return to the House Agricultural appropriations Sub-committee this summer for a discussion of "policy only" in this connection and would like to take along the recommendations of the NAMO group. He added: "We want you to help us draft a road map for this expansion. It will have to be a cooperative job since it covers mutual problems - what you can do and what we can do. We must gear our marketing and distribution to handle the job of this increased volume of production better than it has ever been done before."

Mr. Geissler was introduced by Roy W. Lennartson, PMA Assistant Administrator for Marketing, who opened the conference. Mr. Lennartson also thanked the group for holding their annual meetings with the Department and expressed the wish that the entire NAMO organization would find it convenient to hold such a conference in the future.

Consumer Grades

In the panel on "Improving Consumer Understanding of Fruit and Vegetable Grading Programs," under the leadership of Louis A. Webster, Director, Division of Markets, Massachusetts, discussion hinged on the need for consumer grades.

M.W. Baker, Deputy Director, Fruit and Vegetable Branch, PMA, raised the question whether the Department should continue to use appropriated funds for the development of fresh fruit and vegetable standards for consumer grades at the expense of expanding the development of wholesale grades, or whether consumer grades should wait until demand for them justifies spending the money on them.

"My own personal feeling is that we should not leave a stone unturned in our efforts to deliver the kind of a product the consumer wants," he said... "Today we are at the cross-roads... How we proceed... will have to be governed to a great extent by the suggestions we receive from the various State departments."

E. E. Conklin, Standardization and Inspection Division, PMA, touched on the relationship between grades, grade markings, and inspection. He explained that it had been found that many people - wholesalers, retailers and consumers - feel that "U.S. No. 1" grade means that the product must have been officially inspected or it would not be so labeled.

The speaker said that a decision would have to be made soon whether consumer grades should be permitted only in connection with continuous inspection, "or exercise no control, and leave grading to the packer as is now done on commercial grades." He felt that the whole success of consumer grading in the next five to ten years hinged on the answer to this and asked the conference for its recommendations.

Spencer Duncan, Assistant Director, Bureau of Markets, New York, said that "the big problem is to find out just what do consumers want for grades." In New York, he stated, studies showed that the "judgment of the consumer usually is based on the judgment of the storekeeper or the man she is dealing with direct." He proposed that studies be made to determine if grade marking does have an effect on sales, later adding that this "looks like a good job for RMA funds."

"In fresh fruits and vegetables, where the consumer sees them, the consumer knows what he wants and he does not know and he does not care about grades," F. C. Gaylord, Purdue University, declared. He cited studies by the University of Illinois in 510 Chicago stores on potatoes and another by Michigan State College in the Detroit area on apples as demonstrating that consumers buy not on grade, but on size and appearance. Mr. Gaylord did feel, however, that consumers rely upon brand and grade in the purchase of canned and prepacked commodities and foresaw more need for consumer grades for fresh fruit and vegetables as prepacking increases.

John L. Matheson, also of the New York Bureau of Markets, stressed that the retailer is the place where the most good can be done in consumer education. He said he had to disagree with Mr. Duncan; that certain New York studies had shown that consumers do have grade preferences, particularly for potatoes. Uniform grades can be maintained only through continuous inspection, he held, citing work on the "Empire State" grade.

K. R. Slamp, Director, Division of Markets, Pennsylvania, felt that some change probably would have to be made in U.S. grades. He said that on the basis of studies made in his State it was found that most States do not grade, or do not meet the requirements of grades marked on packages in 50 percent of the cases.

Webster J. Birdsall, Director, Bureau of Markets, New York, came to the conference from a meeting with OPS. He said that agency, in its adjustment of potato ceilings, intended to include a quality provision which would make it worthwhile to pack consumer grade potatoes.

George H. Chick, Chief, Division of Markets, Maine, insisted that consumer grades were needed; that "90 percent of the people will pay a premium for quality."

J.H. Meek, Director, Virginia Division of Markets, expressed the opinion that less Federal attention to consumer grades and more to wholesale grades would mean "putting in more work in a field where it is not needed the most."

Federal-State Cooperative Agreements

A panel on Federal-State cooperative agreements brought out several differences between some of the State marketing officials and the Department's proposed uniform agreements in the poultry and dairy inspection and grading field. While the discussion cleared up some of the major questions raised, it also revealed that more work on the uniform agreements would be required. Department officials said that this would be done in cooperation with the NAMO committee on this subject.

Mr. Birdsall, panel leader, opened the session by reading the NAMO committee report on Federal-State Cooperative Agreements made at the annual NAMO meeting in Richmond, Va., last October. This was followed by a report on the committee's analysis of agreements in 15 States, read by B. P. Storrs, Chief, Division of Markets, Connecticut.

Dewey Termohlen, Director, Poultry Branch, PMA, explained the new inspection and grading agreements worked out by that branch, adding that it was the Department's impression that the States wanted such agreements to be as uniform as possible. Both Mr. Termohlen and Hermon Miller, Deputy Director of the Poultry Branch discussed the financial set-up under the proposed uniform agreements.

Most conferees entering the discussion stressed that they favored Federal-State inspection-grading programs, but felt that they could not meet the increased costs which they felt would ensue from the revised agreements. In connection with market news agreements, most of the discussion revolved about the share of the costs that each State should bear and the question whether enough consideration was being given to production point news as compared with terminal market news.

Frank E. Blood, Assistant to the Assistant Administrator for Marketing, PMA, answered some of the specific questions raised, after pointing out that "a great many things which have come up this afternoon will require a great deal of work along slightly different lines than those along which we have been proceeding." He emphasized that Congress is continually urging the Department to make these programs as self-supporting as possible. Just as in the States, he said, the Department's part of the load has increased, and there is "every reason to believe that there will be further increases."

Mr. Blood explained that the 25 percent Federal share of inspection fees proposed in the new agreements is what is anticipated to be needed to cover costs; that if it proved too high any surplus would be put into a revolving fund for use when expenses were not being met; and that it would be lowered when such action was possible.

On market news, he said, the Department is going to have even less money this year to carry on its services, but, eventually, it is hoped, this program can be further developed. With regard to producing area vs. terminal market news, he pointed out that the service is "getting closer to the production areas"; that the trend will continue that way; and that present research will help set the "guide lines" for this.

Answering a comment made earlier in the conference that Federal supervision under the grading and inspection work is "spread pretty thin," Mr. Blood said it was the Department's position that it should continue to move "along cooperative lines".

At the conclusion of the session, John Winfield, Director, Division of Markets, North Carolina, felt that "this approach of taking our hair down and putting out all our problems" would lead to workable agreements. He said that a mutual understanding of Federal and State problems and expenses meant that both could do more to help each other.

Poultry and Egg Panel

A panel on Poultry and Egg Grading and Inspection under the leadership of F. W. Risher, Marketing Specialist, Dairy and Poultry Products, Florida, revolved on a theme of mutual understanding of the program by Federal and State marketing officials.

Hermon Miller opened the discussion with an explanation of the changes in poultry grading regulations (which were later announced by the Department to become effective July 1, 1952). He commented on efforts being made in some States to have all poultry inspected before packing or canning and held that it is impossible to inspect poultry from a health standpoint after it has been eviscerated. While poultry can be graded as to quality without being inspected as to wholesomeness, the best practice would be to have it both inspected and graded, he added.

Henry G. F. Hamman, Chief, Dairy and Poultry Grading Division, PMA, and William E. Hauver, Marketing Services Division, PMA, went further into the changes in poultry inspection and grading regulations and certain State problems.

J. E. Blades, Chief, Poultry Division, Bureau of Markets, Delaware, declared that he was "sold" on grading and inspection to sell high quality merchandise and particularly on Federal grading because "we must have one standard grade." Mr. Blades further thought it would be a good thing "if we could all adopt Federal grades as a standard, since we are confusing housewives with too many grades."

Wesley Windisch, Chief, Bureau of Markets, Ohio, said that his State was having trouble getting enough personnel to meet inspection requirements and had run into another problem where packers were buying eggs on wholesale grade and attempting to re-pack them under consumer grades. He also expressed alarm at what he described as "trade barriers" brought about by the trend among Ohio cities to check on sanitation in ready-to-cook and cut-up poultry plants, and warned this could happen in other States.

Cecil Rogers, Senior Supervisor, Bureau of Markets, Virginia, said even though grade labeling of dressed poultry was being eliminated by the amended poultry grading regulations, his organization still believes that when properly graded and properly labeled there is nothing misleading about grade labeling. He added that in 20 years of grade labeling in Virginia "we have never received the first complaint that our grade did not meet requirements." He held that poultry should be processed in an

approved plant, should be inspected for wholesomeness, but added that the grading service is equally important.

Knox T. Hutchinson, Assistant Secretary of Agriculture, who entered the conference as Mr. Rogers was speaking, said that he was very interested in the subject; that the Department was very much concerned with it; and hoped to find, in working with the NAMO group, the ultimate solution. He praised the "splendid cooperation" the Department is receiving from the State Departments of Agriculture and other agencies outside the Federal Government which are "working together to provide a better agriculture".

RMA Work

A discussion on "What Are We Doing Under RMA in Marketing?" was led by Leighton G. Foster, Chief, State Marketing Services Staff, PMA, who pointed out that under the Agricultural Marketing Act (RMA-Title II) there are commodity advisory committees working with the Department which have members from most States. He felt that NAMO was "missing a bet" by not learning who these men are and informing them what is being done and what should be done by state marketing agencies. He added that there will be another series of conferences on RMA work this fall and urged the State marketing men to attend and present their problems and opinions.

Mr. Winfield discussed RMA work in North Carolina, particularly a program for improvement in cotton ginning which had increased the value of the 1951 North Carolina crop by about $1,000,000. The speaker was one of several to complain of the lack of trained personnel available to assist with State projects and suggested that special courses should be available for such training.

Later in the conference, C.A. Lyon, secretary of the conference and Director, Bureau of Markets, New Hampshire, after outlining troubles experienced in his State, suggested that the attention of the Land Grant Colleges be called to this "lack of personnel for conducting service programs". A representative of the Virginia Division of Markets said that the Horticultural School, Virginia Polytechnic Institute, is showing an interest in the problem.

Mr. Chick said Maine is working to eliminate waste in marketing, particularly through the promotion of better handling of fresh fruits and vegetables by wholesalers and retailers, with the emphasis on keeping them chilled and handling them immediately. Other projects underway, he said, cover weighing equipment for potatoes, deterioration of potatoes in shipment, and a preliminary study of blind seed pieces in cut seed potatoes.

Standards and formulas for grades of mixed feed are being worked up for the first time under a project in Virginia, according to Mr. Meek, who welcomed help from other States in the work. Taylor L. Grizzard of the same division, discussed cooperative work being done in retail stores in the State covering care of fresh fruits and vegetables from the time they are received, through cooling and overnight care, to setting up displays.

Walter Mason of the New York Bureau of Markets drew quite a bit of applause with a report on a survey made in over 450 Syracuse, N. Y. retail groceries. One phase of the study was to determine why farmers' markets are being used less and less. He said that the chain stores, who have turned more and more to buying direct from farmers or at shipping points, and some wholesalers had these objections: poor quality, lack of steady volume, higher prices, day old produce, poor packaging and too much "over-facing." Retailers complained of direct sales to consumers at the same prices they had to pay, selling cheaper to chains and large independents, poor packing and grading, and short weight.

The same survey, according to the speaker, revealed that 390 out of 458 stores sampled handled pre-packed produce. While bulk commodities still are more popular in low income areas because of lower prices, prepack sales are gaining in middle and high income areas. Over half the retailers felt that pre-packing does affect sales because of better quality, eye appeal and ease of preparation. Frozen food sales are highly dependent upon income area served by retailers--important in middle and high income areas where they are cutting into sales of fresh fruits and vegetables which are difficult to prepare.

Norman C. Healy, PMA Fruit and Vegetable Branch, disclosed some of the results of RMA project in Indiana, New York and Ohio, since 1949, on tomatoes. It was found, for instance, that different methods of processing tomato juice could have as much effect on quality of the finished product as anything else and that using U. S. No. 2 grade tomatoes materially reduced yield. Two color meters developed during the study, one for surface color on whole tomatoes, and the other a color difference meter for testing grade samples, are to be further tested for commercial possibilities at Purdue University this year.

A challenging address was delivered to the meeting by Merton L. Corey, Director of Public Relations, Carl Byoir Associates, New York City. Tracing some of the developments of recent years in marketing, the speaker pointed out that there are still other problems to be solved and called upon the conference members to furnish the leadership for this. He specifically mentioned such things as making market information and research results more serviceable to growers and handlers; better coordination of government agencies, colleges, and private industry for more efficient research work; better organization of growers and handlers to make best use of government services and to correct present marketing faults; and what the conferees could do beyond their prescribed duties in harvesting, distribution and selling.

"Men trained as you are can furnish leadership in these and similar problems," Mr. Corey concluded.

At a business meeting before the concluding session of the conference, Mr. Lyon was elected chairman of the group for the coming year and Mr. Risher was elected Secretary. The next meeting was scheduled for the period October 21 through 24, this year at Biloxi, Mississippi. Sixteen States were represented at the conference, with 31 State marketing officials among the 60 odd persons in attendance.

Marketing Briefs

(The program announcements summarized below are more completely covered in press releases which may be obtained on request from the Office of Information, U. S. Department of Agriculture, Washington 25, D. C. by citing the code number given at the end of each item.)

Cotton.--Revision of standards for grades of American Upland Cotton to bring them in line with recent crops proposed. (USDA 1211-52)... Discontinuance of procurement program for long staple cotton announced. (USDA 1177-52)... All 1951 cotton still under loan August 1, 1952 will be pooled for producers' accounts. (USDA 1227-52)... Terms and conditions under which USDA will offer to buy cottonseed oil, cake or meal, and linters from crushers to implement the 1952 cottonseed price support program have been announced. (USDA 1087-52)

Dairy Products.--Changes have been made or are under consideration in the following Federal milk marketing orders: New Orleans, (USDA 1214-52). Lima, Ohio, (USDA 1213-52). Oklahoma City, (USDA 1149-52). Cedar Rapids-Iowa City, Ia., and Quad Cities (Davenport and Clinton, Ia., and Rock Island, Moline, East Moline, Ill.), (USDA 1122-52). Ft. Wayne, Ind., (USDA 1142-52). Louisville, Ky., (USDA 1125-52). Chicago, (USDA 1083-52). Dubuque, Ia., (USDA 1123-52) and Philadelphia, (USDA 1217-52).

Fruits and Vegetables.--Grade Standards have been proposed for frozen mixed vegetables. (USDA 1074-52)... Revised standards have been proposed for Frozen Whole Kernel Corn (USDA 1103-52) and Canned Cream Style and Whole Kernel Corn (USDA 1104-52)... Action has been taken on changes in the following programs; Dried Prune and Raisin Export Payments (USDA 1241-52), California Tokay Grape Marketing Agreement (USDA 1126-52), and the hop marketing agreement program in Oregon, California, Washington and Idaho. (USDA 1186-52)... Committees or board members have been named under the following marketing agreements: Colorado Potato Area (USDA 1114-52), California Deciduous Fruit (USDA 1115-52), Oregon and Washington Filbert Control (USDA 1116-52), California dried prunes, (USDA 1117-52), California, Oregon, and Washington Walnut Control (USDA 1261-52), California raisins (USDA 1216-52), and Colorado Pea and Cauliflower. (USDA 1188-52)

Grain.--Two amendments to U. S. Standards for milled rice have been proposed. (USDA 1124-52)... Preliminary announcement of 1952-53 International Wheat Agreement Quotas. (USDA 1225-52)

Livestock.--Suspension of the pork products purchase program with a total of 26,490,000 pounds of pork, costing about $13,500,000, has been announced. (USDA 1094-52)

Poultry and Eggs.--Minor revisions in U. S. consumer and wholesale grades and weight classes for shell eggs, and the reinstatement of the U.S. procurement grades and weight classes have been announced, effective July 1, 1952. (USDA 1218-52)... Through mid-June 118,482 cases of shell eggs had been purchased under the Department's surplus removal program. (USDA 1264-52)

ABOUT MARKETING

The following addresses and publications, issued recently, may be obtained upon request. To order, check on this page the publications desired, detach and mail to the Production and Marketing Administration, U. S. Department of Agriculture, Washington 25, D. C.

Addresses:

Cotton in the Agricultural Production Program, a talk by Administrator Gus F. Geissler before the American Cotton Congress, Houston, Tex., June 19, 1951.

Publications:

Commodity Credit Corporation Price Support Statistical Handbook. April 1952. 72 pp. PMA (Mimeographed)

Consumer Purchases of Selected Fresh Fruits, Canned and Frozen Juices, and Dried Fruits, May 1952. 23 pp. BAE and PMA (Mimeographed)

Fruits and Juices Availability in Retail Food Stores February 1952 April 1952. 38 pp. PMA (Processed)

Consumer Fruit and Juice Purchases, January-March 1952. May 1952 PMA (Processed)

The Transportation and Handling of Grain by Motortruck in the Southwest. May 1952. 65 pp. PMA (Processed)

Mimeographed copies of U.S. Standards are available for the following commodities: Peaches, Frozen Leafy Greens, Processed Raisins, and Frozen Asparagus.

(Be certain you have given us your name and full address when ordering statements or publications. Check only the individual items you wish.)

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